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TAGS: PGOV PREL PINR UP
SUBJECT: TYMOSHENKO MEGA-COALITION PROPOSAL FALLS FLAT

Classified By: DCM James Pettit for reasons 1.4(b,d).

SUMMARY

¶1. (SBU) Prime Minister Tymoshenko on October 19 proposed creating a unity coalition of all parties in the parliament to address the effects of the international financial crisis.

She asked President Yushchenko to rescind his order for early parliamentary elections and support her proposal. Most of the parties in the Rada dismissed her proposal as an attempt to escape blame for worsening economic conditions and to hold on to power prior to next year's presidential election. END SUMMARY.

TYMOSHENKO'S MODEST PROPOSAL

¶2. (U) In a televised address to the nation on October 19, Tymoshenko proposed the creation of a unity coalition of all parliamentary factions. Under the new so-called "mega-coalition" the cabinet would be restructured to include the best and brightest from all parties, but Tymoshenko implied that she would retain the PM slot. She also proposed incorporating representatives of the coalition into presidentially appointed positions, such as the National Security and Defense Council. Tymoshenko also called on President Yushchenko to cancel his decree ordering pre-term parliamentary elections, thereby allowing the Rada to reconvene to pass legislation and revise the 2009 budget. She assured Ukrainians that even if other factions reject her proposal she will "never leave the battlefield" or "betray the country."

MOSTLY ALLIES SHOW UP

¶3. (U) Tymoshenko called on all party leaders to gather at the Rada on October 20 to begin working on forming the mega-coalition. In attendance at the meeting, besides Tymoshenko Bloc (BYuT) representatives, were leaders from the OU-PSD bloc component parties European Party, People's Self Defense, Defenders of the Motherland, and Rukh, as well as the Communist Party. Excluding the Communists, all the parties that attended are considering joining BYuT to run in the upcoming Rada election. The head of the Communist Party, Petro Symonenko, used the gathered media to call for exiting the WTO, joining Moscow's proposed Single Economic Space, and deepening energy cooperation with Russia. The Party of Regions, the Lytvyn Bloc, and Our Ukraine refused to attend.

THE DRUNK AND THE POLE

¶4. (C) Party of Regions heavily criticized the Prime Minister's proposal. Former Prime Minister and Party of

Regions head Viktor Yanukovych publicly said that Tymoshenko's call for a mega-coalition was a desperate attempt to stay in power: "she clings to her job like a drunk clings to a pole." Deputy Faction leader and unofficial Regions spokesperson Hanna Herman told us privately that a new coalition would allow Tymoshenko to spread the blame for her "ruinous" populist policies and that all Tymoshenko is interested in is retaining her position prior to next year's presidential election. Volodymyr Lytvyn echoed Herman's criticism saying that Tymoshenko was attempting to shift blame for the economic situation to others.

¶15. (U) Tymoshenko was also rebuffed by Yushchenko's Our Ukraine party and the Presidential Secretariat. Outspoken Our Ukraine MP Ksenya Lyapina said that the logical response to the financial crisis would be to remove the government that is responsible. She called for the elections to go forward so that not just a few members of the cabinet are swapped, but the Prime Minister too. Lyapina said that Tymoshenko should be replaced by someone not involved in the upcoming Rada elections. Presidential Chief of Staff Victor Baloha said that a new coalition would only serve the political interests of Tymoshenko and not the needs of Ukraine. He predicted that an attempt to form a mega-coalition would be a failure; Tymoshenko was only interested in protecting her job, not the Ukrainian economy.

COMMENT

¶16. (C) Tymoshenko's call for a mega-coalition is unlikely to get much if any traction outside of her own camp. Her appeal for unity in the face of crisis comes at a time when her opponents are so deeply dug in against her that they regard everything she proposes as self-serving. Thus, they largely dismiss or ignore her point that now, on the cusp of a possible economic meltdown, is no time for another round of divisive elections.

TAYLOR